

## Factsheet 19

# State Pension

April 2017

### Inside this factsheet

This factsheet gives information about the new State Pension (for people reaching State Pension age on or after 6 April 2016) and the old State Pension (for people who reached State Pension age before 6 April 2016).

It explains how to claim your pension and what to do if you have a change of circumstance.

The information in this factsheet is correct for the period April 2017 – March 2018.

Benefit rates are reviewed annually and take effect in April but rules and figures can sometimes change during the year.

The information in this factsheet is applicable to the UK.

Contact details for any of the organisations mentioned in this factsheet can be found in the Useful organisations section.

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# 1 What is State Pension?

State Pension can be paid when you reach State Pension age, provided you fulfil National Insurance contribution conditions and make a claim. The amount you get is not affected by your income and capital but it is taxable.

A new State Pension was introduced on 6 April 2016 for people reaching State Pension age on or after that date. This applies to:

- men born on or after 6 April 1951
- women born on or after 6 April 1953.

If you were born before these dates, you remain on the old pre-2016 State Pension. This factsheet focusses on the new State Pension. If you come under the old State Pension, section 11 includes some general information but seek specialist advice as the rules are more complex.

The government states an aim of the change is to introduce a simpler, fairer system so people have a clearer idea about what their State Pension will be, making it easier to plan for retirement.

The Department for Work and Pensions (DWP) is responsible for State Pension and other benefits. Older people deal mainly with the Pension Service which is part of the DWP. HM Revenue and Customs (HMRC) deal with National Insurance contributions.

The new State Pension is paid at a flat rate. The full amount is £159.55 a week for 2017/18. The amount you receive is usually based on the National Insurance (NI) contributions paid during your working life, so you may get more or less than this. To be paid the full amount, you must have paid or been credited with 35 years of contributions or credits.

If you have between 10 and 34 years of contributions, you receive a graduated lower amount. If you have paid less than 10 years contributions, you are not entitled at all. If you paid contributions before 6 April 2016, transitional arrangements apply to take the pre-2016 record into account. For information on what counts as NI contributions, see section 5.

## Note

There are exceptions to these rules if you are entitled to very little State Pension based on your own NI contributions. This could be because you paid married women's or widow's reduced-rate NI contributions or you are widowed or your civil partner has died. See section 8 for information about increasing or inheriting State Pension from a spouse or civil partner.

## 2 State Pension age

You can claim State Pension when you reach State Pension age. Until April 2010, State Pension age was 65 years for men and 60 years for women. Since then, women's State Pension age has increased for women born on or after 6 April 1950.

In April 2017, women's State Pension age is 63 and 9 months and will be 64 and 6 months by April 2018. State Pension age will be equalised at 65 years for men and women by November 2018. It will then increase to 66 years by October 2020 and 67 years by April 2028. The government will make five annual reviews of State Pension age, with the first review due to report by May 2017.

Other benefits, such as Pension Credit and Winter Fuel Payment, are linked to women's State Pension age. Following the *Gender Recognition Act* in April 2005, if you are granted a full Gender Recognition Certificate, your State Pension age depends on your acquired gender.

### Action

You can find your State Pension age by using the calculator at [www.gov.uk/calculate-state-pension](http://www.gov.uk/calculate-state-pension) or by phoning the Future Pension Centre on 0345 3000 168.

## 3 Current rates

The full weekly rate for new State Pension is:

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New State Pension	£159.55
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The full weekly rates for the old State Pension are:

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Category A pension	£122.30
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Category B pension based on late spouse's or civil partner's National Insurance contributions	£122.30
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Category B pension based on spouse's or civil partner's National Insurance contributions	£73.30
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Category D non-contributory pension	£73.30
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There is a 25p a week age addition payable with the old State Pension when you reach the age of 80.

## 4 Calculating the amount

If you have NI contributions/credits from before 6 April 2016, your pre-2016 record is used to calculate a '*starting amount*'. You may get more or less than the full weekly amount, depending on your NI record.

Your starting amount is the higher of the amount:

- you would have received based on your own NI contributions under old State Pension rules (including basic and additional pension elements)
- you would have got if the new State Pension was in place at the start of your working life.

When working out the starting amount, a deduction is made from the old and new calculation if you were in a contracted out personal or workplace pension scheme prior to 2016 – for example, if you were a member of a public-sector pension.

In this case, you paid lower NI contributions because you paid into a contracted-out pension, or some of your NI contributions were paid towards your private pension instead of additional State Pension.

### Remember

To receive an amount of State Pension, you must have paid at least 10 years NI contributions. There are exceptions – see section 8 about increasing or inheriting State Pension from a spouse or civil partner.

### 4.1 Getting a State Pension statement

To see your estimated starting amount, you can request a State Pension statement. This gives you an estimate of how much your State Pension will be, based on your current NI record. It includes:

- the date you reach State Pension age
- an estimate of State Pension based on your NI record to date
- the number of qualifying years you currently have.

### Action

Anyone over 18 can get an estimate by going to [www.tax.service.gov.uk/checkmystatepension](http://www.tax.service.gov.uk/checkmystatepension) or if you are over 50 you can request a paper statement by going to [www.gov.uk/check-state-pension](http://www.gov.uk/check-state-pension) or call the Future Pension Centre on 0345 3000 168.

If your estimate shows you currently do not have enough qualifying years to get a full State Pension, consider whether you have enough time to make up the shortfall before reaching State Pension age. If not, you may want to ask HMRC for a NI statement.

You can check it against your own records and query any gaps. You may want to consider paying voluntary NI contributions to make up for gaps in your record (see section 12.3). You may want to get help from an independent advice agency as you need to decide whether the amount you have to pay will be repaid in larger pension payments.

## 4.2 If your starting amount is less than the full amount

You may be able to receive a higher rate of State Pension by adding more qualifying years to your NI record until you reach the full amount or you reach State Pension age, whichever is first. (See section 12 for how to increase your NI record).

Each qualifying year on your NI record adds 1/35<sup>th</sup> of the full amount (about £4.55 a week) to your new State Pension entitlement.

### Example

Your starting amount from your NI record before 6 April 2016 is £120 a week.

You add 5 qualifying years to your NI record before you reach State Pension age (each year adding around £4.55 a week) equalling £22.75 a week.

You are paid £142.75 a week State Pension when you start claiming.

## 4.3 If your starting amount is more than the full amount

If your starting amount is more than the full State Pension amount, the amount above this is called your '*protected payment*'. This is paid on top of your new State Pension when you claim and increases each year in line with inflation.

If you are already over the full new State Pension amount, any qualifying years you add to your NI record before you reach State Pension age do not add anything to the amount of your State Pension.

## 4.4 If you do not have NI contributions/credits from before 6 April 2016

Your State Pension is calculated entirely under new State Pension rules. You must have at least 10 qualifying years in your NI record to get new State Pension (there are exceptions – see section 8 about increasing or inheriting State Pension from a spouse or civil partner).

Your new State Pension is more likely to be calculated in this way if you are born after the year 2000 or became a resident of the UK after 2015.

### Example

You have 20 qualifying years on your NI record after 6 April 2016. You multiply 20 qualifying years by  $1/35^{\text{th}}$  of £159.55 (which is approximately £4.55 a week).

Your new State Pension is £91.17 a week.

## 5 National Insurance (NI)

Whether you get full State Pension depends on your NI contributions record. Your record can be made up of a combination of:

- NI contributions paid while working as an employee or self employed
- NI contributions paid voluntarily
- NI credits awarded while receiving certain benefits
- NI credits and/or Home Responsibilities Protection awarded due to caring responsibilities.

To receive the full amount of new State Pension, you need 35 years of NI contributions or credits. Lower years mean a lower rate is payable. If you have a pre-2016 NI record and your starting amount is higher than the full amount, you may get the same, or more than, the full rate with fewer than 35 years.

If you have fewer than 10 years NI contributions, you are not eligible for any amount, subject to exceptions - see section 8 about increasing or inheriting State Pension from your spouse or civil partner.

If you have not paid enough NI contributions to be eligible for State Pension, think about paying voluntary NI contributions (see section 12.3). To find out if you have gaps in your NI record see section 12.4.

For information about different types of NI contributions, see section 12.



## 6 How to claim your State Pension

You do not get State Pension automatically – you have to claim it. You should get a letter four months before State Pension age, telling you what to do. You must provide your NI number when you claim and may need to provide evidence of your date of birth.

If you have not received a letter three months before State Pension age, phone the claim line. They can discuss what you need to do.

If you receive benefits like Pension Credit when you reach State Pension age, you may not need to make a claim for State Pension as it is awarded automatically. The Pension Service can advise if this applies.

There are three ways to claim:

### Online State Pension claims

This service is available 24 hours a day, 7 days a week and is safe and secure. There is an online helpdesk to help you through the process if you have difficulty. Go to: [www.gov.uk/claim-state-pension-online](http://www.gov.uk/claim-state-pension-online)

If you need help claiming online, you can call: 0345 604 3349, Welsh 0345 604 3412, Textphone: 0345 604 0523.

### Over the phone

Call the State Pension claim line for free on:

- Telephone: 0800 731 7898
- Textphone: 0800 731 7339

Monday to Friday, 8am to 6pm (except public holidays)

### Download the claim form and send it to your local pension centre

You can download a copy of the State Pension claim form from Gov.uk website at [www.gov.uk/government/publications/the-basic-state-pension](http://www.gov.uk/government/publications/the-basic-state-pension)

### Action

If you have lost your NI number, contact the National Insurance Registrations Helpline on 0300 200 3502.

## 6.1 Backdating and advance claims

You may claim your State Pension up to, but no more than, four months in advance. It is a good idea to claim in advance as it may take a while for your claim to be processed.

The maximum period for backdating is 12 months, but your claim cannot be backdated to a date before you reached State Pension age. You are not paid interest on any backdated pension.

If you claim more than 12 months after you became entitled to your pension, you are treated as having deferred (see section 6.2).

## 6.2 Putting off or deferring your State Pension

When you reach State Pension age, you can put off or defer claiming State Pension, which means you may receive a higher rate of State Pension later on. Even if you start receiving State Pension, it is possible to change your mind and start to defer it, but this can only be done once.

You have to defer for at least nine weeks and your new State Pension increases by 1 per cent for every nine weeks you defer or about 5.8 per cent for a full year. There are no time limits for how long you can defer.

The extra amount from deferring is paid on top of your new State Pension and counts as taxable income. You cannot take the extra amount as a lump sum payment and if you die before your spouse or civil partner, they cannot inherit any of your increase.

This may not be right for everyone and whether you gain overall depends on your circumstances. In particular, if you or your partner are claiming certain benefits such as Pension Credit, Universal Credit or income-based Employment and Support Allowance, you do not receive any increase for each whole week in which you receive that other benefit.

### Action

If you are thinking about deferring your State Pension, it is important to consider the full implications, especially if you claim other benefits. Seek advice from Age UK Advice if considering this.

## 7 Decisions and payments

Once your claim has been processed, the Pension Service send you a decision notice including details of how much your State Pension will be, how and when it will be paid, your duty to report relevant changes in your circumstances and your dispute and appeal rights.

## 7.1 If you disagree with a decision

If you think that you have been awarded the wrong amount of State Pension or disagree with any decision to do with your State Pension, you must first ask for the decision to be revised. If you are still unhappy with the decision, you can appeal to an independent tribunal. There are time limits for doing this so it is important to act quickly. See factsheet 74, *Challenging welfare benefit decisions*.

## 7.2 Payment

Most people have their State Pension paid directly into an account. When you apply for your State Pension you are given information about the different types of bank, building society and Post Office accounts you can use. Your amount is usually paid four-weekly in arrears, although you can ask to be paid weekly or fortnightly.

Your State Pension can be paid to an appointee who acts on your behalf if you are not able to act for yourself.

It can sometimes be paid by a system called '*simple payments*', which can be collected from PayPoint outlets that are often located in local shops, if you are unable to open or manage another account.

You can authorise someone else to collect your money from a Post Office, or a bank or building society account. If you are unsure about your payment options, a local advice agency may be able to help.

Payment starts from the day you reach State Pension age, unless you are in the old State Pension system, when it can be up to a week later.

## 8 Increasing or inheriting State Pension from a spouse or civil partner

New State Pension is normally based on your own NI record only. However, you may be able to inherit an extra payment from your spouse or civil partner or qualify for a higher amount if you paid married women's or widow's reduced rate NI contributions.

### Note

You cannot inherit anything if you remarry or form a new civil partnership before reaching State Pension age.

## 8.1 Inheriting additional State Pension and Graduated Retirement Benefit

You can inherit part of a deceased spouse's or civil partner's additional State Pension and half their Graduated Retirement Benefit once you start claiming your own State Pension if both the following apply:

- your marriage or civil partnership began before 6 April 2016, and
- you could have inherited these amounts in the old pre-2016 system and one of the following applies:
  - your partner reached State Pension age before 6 April 2016, or
  - they died before 6 April 2016 but would have reached State Pension age on or after that date.

## 8.2 Inheriting a protected payment

You can inherit half of a partner's protected payment once you start claiming your own State Pension if your marriage or civil partnership began before 6 April 2016 and both the following apply:

- they reached, or would have reached, State Pension age on or after 6 April 2016
- they died on or after 6 April 2016.

## 8.3 Inheriting a deferral payment

If a spouse or civil partner reached State Pension age before 6 April 2016 and they received extra State Pension because of deferring, you may inherit some of their extra State Pension once you start claiming your own State Pension. Both of the following must apply:

- you were married or in a civil partnership when your partner died
- you did not remarry or form a new civil partnership before you reached State Pension age.

## 8.4 Women who paid Reduced Rate contributions

Until April 1977, married women could choose to pay a reduced rate of NI contributions (known as the '*married women's stamp*'). This option was withdrawn after April 1977, but you could continue paying the reduced rate if you wanted.

This right stopped immediately on divorce or you chose to revoke your election and started paying the full rate. It also stopped automatically at the end of two complete tax years during which you earned below the level at which NI contributions must be paid or stopped working altogether.

This has an impact on entitlement based on your NI contributions, because reduced-rate NI contributions do not count towards qualification for State Pension. To help women who may have little or no State Pension entitlement as a result, the rules allow your State Pension to be worked out differently. This depends on your right to pay reduced-rate NI still applying at some point in the 35 years before the start of the tax year when you reach State Pension age.

If you meet this condition, you do not need the minimum 10 qualifying years to get a State Pension. You may get a State Pension that is either:

- the old pre-2016 lower rate basic State Pension of £73.30 a week (if married or in a civil partnership and your partner has reached State Pension age), or
- the old pre-2016 rate of basic State Pension of £122.30 a week (if widowed, divorced or your civil partnership was dissolved).

You get any additional State Pension and Graduated Retirement Benefit built up before 6 April 2016 on top. This is paid when:

- you or your spouse or civil partner reach State Pension age (whichever is later)
- you reach State Pension age (if widowed or divorced), or
- you are widowed, divorced or your civil partnership is dissolved after you reach State Pension age.

You get this amount if it is more than you would be paid under new State Pension rules based on your own NI record.

## 8.5 Divorce or dissolved civil partnership

The courts can make a '*pension sharing order*' if you get divorced or dissolve your civil partnership. You get an extra payment on top of your State Pension if your ex-partner is ordered to share their additional State Pension or protected payment with you.

Your State Pension is reduced if you are ordered to share your additional State Pension or protected payment with your ex-partner.

## 9 Change in your circumstances

You must report all changes in your circumstances that might affect your State Pension to the Pension Service. The following are some examples.

### 9.1 Going abroad or living there

Your State Pension is payable without time limit if you go abroad. If you are going abroad for some time, you can arrange to get your State Pension in the country where you stay. If you remain abroad, the annual State Pension increase is only paid if you live in an EEA country or in a country with which the UK has special arrangements.

### Note

For more information about receiving your State Pension while living abroad, contact the International Pension Centre.

## 9.2 Going into hospital

Your State Pension continues to be paid however long you are in hospital. If you are also receive a benefit such as Attendance Allowance, payment of which may be combined with your State Pension, this may be affected by a hospital stay.

## 9.3 Going into a care home

Your State Pension is not affected if you go into a care home but it may be taken into account as income if you apply to your local authority's social services department for help with care home fees.

### Note

In Scotland, this does not affect free personal and nursing care. For information about paying for care services, see factsheet 10, *Paying for permanent residential care*. In Scotland see the guide *Care homes: funding*. In Wales, see Age Cymru's factsheet 10w *Paying for a permanent care home placement in Wales*.

## 10 Other entitlements at retirement

The earliest age at which you can get State Pension is not necessarily the age at which you retire from work. You may stop work before State Pension age, continue working after State Pension age, or you might want to retire gradually, for example by reducing your hours rather than leaving work completely.

### 10.1 Stopping work before reaching State Pension age

You cannot get State Pension until you reach State Pension age. Before then, you may be entitled to other financial support. See factsheet 56, *Benefits for people under Pension Credit age* for more information.

If you are a man and you have not reached State Pension age but you are over the age at which a woman with the same birthday could get their State Pension, you may be entitled to Pension Credit. See factsheet 48, *Pension Credit* for more information.

If under State Pension age and not paying NI contributions, check if you have enough contributions to be eligible for full State Pension. See section 4.1 to find out how to do this and check if you can get NI credits or pay voluntary contributions to increase your State Pension.

### **Occupational and personal pensions**

You may qualify for some occupational pensions before State Pension age if you retire early – check with your employer or the scheme administrator. You may be able to claim your personal pension or stakeholder pension at any time after you reach the age of 55. See factsheet 91, *Pension freedom and benefits* for more information.

## **10.2 Working after State Pension age**

Once you reach State Pension age, you can choose to claim State Pension or defer claiming it to gain later (see section 6.2). If you work and get State Pension, it is not affected by your earnings or hours.

Although your State Pension is not reduced because you work, it is counted as part of your taxable income. Your tax code is adjusted to take into account the amount of State Pension you get. See factsheet 12, *Planning your retirement: money and tax* for more information.

If you carry on working for an employer after State Pension age, you do not have to pay NI contributions. You should notify your employer who still has to pay contributions for you. For more information, see [www.gov.uk/tax-national-insurance-after-state-pension-age/stopping-paying-national-insurance](http://www.gov.uk/tax-national-insurance-after-state-pension-age/stopping-paying-national-insurance)

If you are self-employed, you have to continue paying Class 4 contributions until the end of the tax year in which you reach State Pension age.

### **Unemployment and sickness**

If you become sick or unemployed after State Pension age, you cannot claim Employment and Support Allowance, Jobseeker's Allowance or Universal Credit.

### **Occupational and personal pensions**

If you have a private pension pot, you may be able to access payments while you are working – contact your pension scheme for more information or see factsheet 91, *Pension freedom and benefits*.

## **10.3 Other benefits after State Pension age**

As well as State Pension, you may be entitled to claim other benefits, such as Pension Credit, Housing Benefit and Council Tax Support (sometimes called Council Tax Reduction). You may be entitled even if you work, but whether you qualify depends on your income and capital.

You may be entitled to Attendance Allowance or Personal Independence Payment, which are not means-tested and help with the costs of illness or disability.

Some benefits overlap with State Pension, including Carer's Allowance which is for people looking after someone disabled. If you receive Carer's Allowance, this is not paid if you claim a State Pension worth more than Carer's Allowance, although you retain an underlying entitlement to it. If you claim Pension Credit, an underlying entitlement means a carer's addition is still paid with your Pension Credit.

## 11 Old State Pension

This section has basic information about the old State Pension. You come under the old State Pension if you are a man born before 6 April 1951 or a woman born before 6 April 1953. Many rules are the same:

- State Pension age (section 2)
- Getting a State Pension statement (section 4.1)
- How to claim your State Pension (section 6)
- Decisions and payments (section 7)
- Change in your circumstances (section 9)
- Other entitlements at retirement (section 10)

Your old State Pension can be made up of a combination of:

- Basic State Pension
- Additional State Pension
- Graduated Retirement Benefit
- Other payments.

The weekly rates of these elements are in section 3. You can claim and get the old State Pension even if you continue working past State Pension age, or you may have chosen not to claim and get extra State Pension or a one-off taxable lump-sum payment later.

### 11.1 Basic State Pension

#### Category A State Pension on your own NI contributions

You get the full basic Category A State Pension if you paid or were credited with 30 years of NI contributions. See section 11.4 for details of the NI contribution conditions. If you do not have enough qualifying years for a full Category A State Pension, you get a reduced amount.



## **Category B State Pension on your spouse or civil partner's NI contributions**

You may be entitled to an increase of State Pension based on the NI record of a current spouse or civil partner, a former spouse or civil partner, or a deceased spouse or civil partner. See section 11.6 for more information.

## **Category D non-contributory State Pension**

This is a non-contributory State Pension for people aged 80 or over. If you receive a low State Pension, Category D pension can top it up to £73.30 a week.

To qualify you must live in the UK on your 80<sup>th</sup> birthday or the date of your claim if later and have lived in the UK for 10 years or more in any 20-year period after your 60<sup>th</sup> birthday. In some circumstances, you may be eligible if you have lived in another EEA country.

## **11.2 Additional State Pension**

When you get your Category A or B State Pension, you may get Additional State Pension (ASP). You may qualify for ASP even if you do not get any basic State Pension.

From 1978 to 2002, ASP was built up under the State Earnings-Related Pension Scheme (SERPS).

From April 2002, ASP was built up under the State Second Pension (S2P). ASP was based on earnings above the Lower Earnings Limit. The Lower Earnings Limit is the income threshold that dictates when you are treated as paying NI contributions as an employee (see section 12.1).

### **State Second Pension**

Employees who had earnings above this limit were entitled to an extra earnings-related payment. You can be treated as though your earnings were equal to this if, throughout the year, you were:

- entitled to Carer's Allowance
- entitled to long-term Incapacity Benefit (or would be if you satisfied contribution conditions)
- paid Severe Disablement Allowance
- in some circumstances, paid contributory Employment and Support Allowance
- awarded Home Responsibilities Protection (HRP) (see section 12.2)
- receiving credits as a carer, foster carer or because you receive Child Benefit for a child under the age of 12 (only since April 2010 – see section 12.2).

To qualify for a year of the S2P for years before April 2010, you had to fulfil one criteria for a whole tax year. For example, you could not qualify if you provided care for part of a year and met the disability conditions for the rest of the year, or if you paid NI contributions for part of the year and were entitled to HRP for the rest of it.

### **Contracting out of the Additional State Pension**

When calculating Additional State Pension, a deduction is made if you were in a '*contracted out*' personal or workplace pension scheme (see section 12.1).

### **Graduated Retirement Benefit**

This taxable pension scheme, sometimes called '*Graduated Pension*', existed from April 1961 to April 1975 and was based on graduated contributions paid from earnings.

## **11.3 Other State Pension payments**

### **Age addition**

An extra 25p a week is paid on Category A and B pensions if you are aged 80 or over.

### **Christmas bonus**

If you receive a State Pension and you live in the UK or another EU country during the qualifying week (normally the first full week of December), you receive an automatic Christmas bonus of £10. The bonus is tax-free and has no effect on other benefits.

## **11.4 National Insurance**

Whether you get the full old State Pension depends on your NI contributions record. You receive a full Category A Basic State Pension if they have 30 or more qualifying years.

If you have fewer than 30 qualifying years, you get a reduced pension as long as you have at least one qualifying year. Each qualifying year entitles you to one-thirtieth of the full amount.

If you do not get the full amount, you may be able to increase your State Pension by relying on a spouse or civil partner (see section 11.6) or by paying voluntary NI contributions (see section 12.3).

For more information about NI contributions and credits, see section 12.

## 11.5 Putting off or deferring your State Pension

If you chose to put off or defer claiming State Pension, you can get extra State Pension or a lump sum at a later date. For every five weeks you defer, your weekly entitlement increases by one per cent. This works out at about 10.4 per cent for each full year of deferral, so deferring your State Pension for five years increases it by just over half. There are no time limits for how long you can defer.

Alternatively, instead of extra State Pension, you can get a taxable lump-sum payment plus weekly State Pension paid at the normal rate. The lump sum is calculated based on the amount of unpaid State Pension and a compounded interest rate of two per cent above Bank of England base rate.

You have to defer State Pension for at least 12 consecutive months to have the choice of a lump-sum payment with interest. Consider asking for backdating if you have deferred for less than 12 months and would like a lump sum.

### Category B pensions

If entitled to a Category B State Pension or an increase to your State Pension based on your spouse or civil partner's contributions, you may have chosen to claim this even if they deferred their own State Pension. Instead you may have chosen to defer your State Pension and so get extra State Pension or a lump sum when you start to claim.

In general, you do not get extra State Pension or a lump-sum payment for deferring a Category B State Pension if your partner defers their State Pension and you claim a Category A State Pension on your own contributions, or certain other benefits.

## 11.6 Increasing or inheriting State Pension from a spouse or civil partner

You can sometimes increase or inherit State Pension based on your spouse or civil partner's NI contribution record when you reach State Pension age. This is known as a Category B State Pension. If you get a State Pension this way, you can remarry, form a civil partnership or live with a partner without losing your entitlement. Some rules are different for widowers and civil partners who reached State Pension age before April 2010. Contact the Pension Service or a local advice agency if this applies to you.

## Women married to men

If you are a married woman not entitled to a basic State Pension based on your own NI contributions record, or it is less than £73.30 a week, you may be able to get a Category B State Pension based on your husband's NI contributions once he reaches State Pension age. This is sometimes referred to as the '*married woman's pension*'. If your husband does not have a full contributions record, you receive a proportionally reduced pension.

If you already receive a Category A State Pension on your own NI contributions and your husband claims his State Pension, the Pension Service normally pay you any extra Category B State Pension you are entitled to so you do not need to make a new claim.

You need to make a claim if you do not get a State Pension at the time your husband reaches State Pension age. You also need to make a claim if your husband defers claiming his State Pension, whether you receive State Pension or not.

## Married men, women married to women and civil partners

If your spouse or civil partner was born before 6 April 1950, as a married man, woman married to another woman or a civil partner, you are not able to claim a State Pension based on your spouse's or civil partner's NI contributions record.

If your spouse or your civil partner was born after 6 April 1950, has reached State Pension age and you reached State Pension age after 6 April 2010 (and are not entitled to basic State Pension of at least £73.30 a week based on your own NI contributions record) you can claim a Category B State Pension based on their NI contributions record.

If you qualify for a Category B State Pension as a spouse or civil partner, the rules are in line with those for women married to men.

### Note

The rate of £73.30 a week is called a '*lower rate Category B State Pension*' and applies if you are currently married or in a civil partnership. If you are widowed, divorced or your civil partnership has been dissolved, see the sections below as you may be entitled to a '*basic rate Category B State Pension*' of up to £122.30 a week.

## If you are widowed or a surviving civil partner

If you did not remarry or form a civil partnership before reaching State Pension age, you may be able to use their NI contributions to increase your basic State Pension up to a maximum of £122.30 a week. This applies if you had reached State Pension age when your partner died.

The amount depends on your own, and your late spouse's or civil partner's, NI contributions record.

### **If you are divorced**

If you are divorced but do not qualify for a full Category A State Pension, you may be able to use your former spouse's contributions to increase the amount of basic State Pension to the maximum of £122.30 a week.

Your former spouse's NI contributions record up to when your marriage ended is substituted for your own either from the start of your working life up to your divorce or just for the period of your marriage.

If you remarried or formed a civil partnership before State Pension age, you cannot claim a State Pension on your former spouse's NI contributions record. However, if you did so after State Pension age, you do not lose any State Pension based on your previous spouse's NI contributions record.

### **If your civil partnership has been dissolved**

The term '*dissolution*' is used if civil partners legally separate - it is the equivalent of divorce for married couples. State Pension rules are the same as those described for divorced people.

### **If you separate**

If you separate from your husband, wife or civil partner and you do not qualify for a basic Category A State Pension, or you are entitled to less than £73.30 a week, you may be able to claim a Category B State Pension of up to £73.30 a week when your spouse or civil partner reaches State Pension age.

## **11.7 Inheriting Additional State Pension**

If your spouse or civil partner dies, you may be able to inherit some or all of their Additional State Pension. The amount you are entitled to inherit is added to any Additional State Pension on your own contributions up to the maximum amount a single person could have built up.

In some circumstances, different rules apply for inheriting additional State Pension, depending on whether you are a woman whose husband has died or a widowed man, a woman whose female spouse has died or a surviving civil partner. If this applies, seek specialist advice or contact the Pension Service.

### **If your spouse or civil partner died before you reached State Pension age**

The rules are the same for widows, widowers and surviving civil partners. Providing you did not remarry or form a new civil partnership before reaching State Pension age, you can inherit additional State Pension if you were entitled to Bereavement Allowance or Widowed Parent's Allowance as a result of the death.

### **If your spouse or civil partner dies after you reach State Pension age**

You inherit additional State Pension if both you and your late spouse or civil partner were over State Pension age when they died. If your spouse or civil partner dies when he or she is under State Pension age, you cannot inherit additional State Pension unless you are a woman whose husband has died, or you reached State Pension age on or after 6 April 2010.

## **11.8 Inheriting a deferred State Pension**

If your wife or civil partner was receiving extra State Pension when they died because they had deferred their State Pension, you may inherit some of their extra State Pension.

If they died while still deferring their State Pension, you can choose to receive either a one-off taxable lump-sum payment or extra weekly state pension if they had deferred for at least 12 months.

If you are deferring your own State Pension, you receive any inherited deferral payment when you start claiming your State Pension.

If you were widowed or your civil partner died before you reached State Pension age, you can only inherit a deferral payment if you did not remarry or form a new civil partnership before State Pension age.

#### **Note**

If you are a widower or surviving civil partner who reached State Pension age before 6 April 2010, you must have been over State Pension age when your spouse or civil partner died for these provisions to apply to you.

## **12 National insurance contributions and credits**

This section explains the different sorts of National Insurance contributions and credits you can use towards State Pension entitlement.

## 12.1 NI contributions in work

Employees aged between 16 and State Pension age pay NI contributions depending on the level of their earnings.

If you are an employee with earnings of £113 a week or more (the level of the Lower Earnings Limit in 2017/18), you build up qualifying years that count towards entitlement to a State Pension.

You do not start to pay NI contributions until your earnings reach £157 a week. If you earn between £113 and £157, you are treated as though you pay NI contributions and build up qualifying years that count towards entitlement to the State Pension and other contributory benefits.

When this factsheet refers to people who have '*paid*' NI contributions, this includes people with earnings between £113 and £157 a week who do not actually pay NI but are treated as having paid NI contributions.

Employees pay Class 1 NI contributions as a percentage of earnings, and these are collected with Income Tax. Employers also pay NI contributions.

If you do not have enough NI contributions for a full State Pension but have not yet reached State Pension Age, you may be able to increase your State Pension if you continue to work and pay NI contributions.

### Working abroad

NI contributions paid abroad may help you qualify for the State Pension if you worked in another EEA country or one that has a reciprocal agreement with the UK.

### Self-employed

If self-employed, you have to pay a flat-rate Class 2 contribution for each week in which you are self-employed, if you have relevant profits at or above the small profits limit (SPL) (£6,025 for 2017/18). These count towards the State Pension.

If your taxable income is over a certain amount, additional contributions (Class 4) are collected with your Income Tax. If your profits are below the SPT you can still pay Class 2 contributions anyway to protect your State Pension rights.

### Contracting out

When your State Pension is calculated, a deduction is made if you have previously been in a '*contracted out*' personal or workplace pension scheme – for example, you are a member of a public-sector pension.

This is because you have paid NI contributions at a lower rate because you paid into a contracted-out pension instead or some of your NI contributions were been paid into your private pension instead of going towards additional State Pension. You could not contract out of the basic State Pension.

Only employees earning more than the Lower Earnings Limit and paying standard-rate Class 1 NI contributions could contract out of the additional State Pension. You may be able to see if you were contracted out by looking at previous payslips.

You were contracted out if the NI contributions line has the letter D, E, L, N or O next to it. You were not contracted out if it has a letter A. If there is a different letter or you are unsure, check with your employer or pension provider.

You are more likely to have contracted out if you worked in public sector organisations and professions such as the NHS, local councils and the civil service, fire services, teachers, police forces and the armed forces.

### Note

Contracting out was abolished from 6 April 2016 and everyone previously doing so now automatically pays standard National Insurance.

## 12.2 NI credits

If you are under State Pension age there are various circumstances in which you are entitled to a credit in place of a NI contribution. These include each week that you are:

- unemployed and claiming Jobseeker's Allowance or available for and actively searching for work, or unable to work due to sickness or disability and claiming certain benefits such as Employment and Support Allowance
- looking after someone who is disabled and you receive Income Support as a carer, or Carer's Allowance, or would receive Carer's Allowance if you were not receiving certain benefits instead
- not getting Carer's Allowance or Income Support as a carer but providing care for at least 20 hours a week for one or more sick or disabled persons who get Attendance Allowance, Constant Attendance Allowance, Disability Living Allowance (middle or higher rate care component), Personal Independence Payment (daily living component) or whose need for care has been certified by a health or social care professional (called Carer's Credits)
- receiving Child Benefit for a child aged under 12
- a grandparent or other adult family member providing childcare for a child aged under 12 or you are an approved foster carer
- receiving Working Tax Credit or Universal Credit



- a man in the tax year in which you would have reached State Pension age had you been a woman, or any subsequent tax year up to, but not including, the one in which you reach the age of 65, and not paying contributions, even if you are not ill or signing on as unemployed. This does not apply to any tax year in which you are abroad for more than six months. This is being phased out from April 2010 in line with the increase in women's State Pension age and will not apply to men born after 5 October 1953
- married to, or in a civil partnership with, a member of the armed forces and you accompanied them on a posting outside the UK. This is available to women born on or after 6 April 1953 or men born on or after 6 April 1951 for tax years from 1975/76. The credits are available to widows, widowers, divorcees and former civil partners provided they were married or in a civil partnership with the member of the armed forces at the time of the accompanied posting.

You need to make an application to get Carer's Credits, credits as a foster parent and credits for grandparents. Except for grandparent's credits, you should apply for these credits before the end of the tax year following the one in which you are entitled to them. Late applications may sometimes be accepted if there is a good reason for not applying earlier.

Grandparents credit must be applied for after the end of the tax year following the one in which you are entitled to the credits. You need to apply for the new credits for military spouses and civil partners but there are no time limits for applying.

Different credits and paid contributions can be combined to make a full qualifying year. Details can be found on [www.gov.uk/national-insurance-credits](http://www.gov.uk/national-insurance-credits).

### Action

Apply for Carer's Credits using application form CC1 which you can get online from [www.gov.uk](http://www.gov.uk). Use form CF411A from HMRC for foster parent credits.

### Home Responsibilities Protection (HRP)

From 1978 to April 2010, HRP protected the NI contribution record of people caring for a child or a sick or disabled person. It helped protect your basic State Pension and bereavement benefits for a spouse or civil partner. In April 2010 HRP was replaced by the credits for parents and carers, described above.

You are entitled to HRP if you met any of the following conditions, or in some situations a combination of them, for a whole tax year between April 1978 and 2010:

- you received Child Benefit for a child under 16
- you received Income Support and did not need to register for work because you cared for a sick or disabled person
- you regularly spent at least 35 hours a week looking after someone receiving Attendance Allowance, Constant Attendance Allowance or DLA (middle or higher rate care component). You need to have been caring for 48 weeks in any tax year, this rose to 52 weeks after 6 April 1994
- you were a registered foster parent.

If you got Carer's Allowance, you would normally have received NI credits towards your State Pension so would not need HRP. Whether you have done any work is irrelevant. You get HRP if you qualify for it and have not paid or been credited with enough NI contributions for the tax year to count as a qualifying year.

HRP should be given automatically if you qualified because you were getting Child Benefit or Income Support as a carer. You need to apply for HRP if you qualified because you looked after someone getting DLA, AA, or Constant AA, because you were a foster parent, or you qualified under one condition for part of a tax year and under another for the rest of the year.

#### **Action**

Apply for HRP on form CF411 which you can get from your local Jobcentre Plus office, by phoning HMRC, or downloading from their website.

### **12.3 Voluntary NI contributions**

If you are not paying NI contributions and are not entitled to credits or HRP, you can pay Class 3 voluntary contributions to protect your State Pension. You cannot pay voluntary contributions for any year in which you were only liable to pay reduced-rate married woman's contributions.

There are time limits for paying voluntary contributions. They must normally be paid by the end of the sixth tax year after the one in which they were due.

If you are under the new State Pension system, you have more time to pay voluntary Class 2 or Class 3 NI contributions for the years from 2006/07 to 2015/16. If you are in this category the payment should be made by 5 April 2023.

### Action

If you do not have enough NI contributions for a full State Pension, you must decide whether to make additional voluntary contributions by weighing up the cost of these contributions against the potential gains in entitlement. There may be potential losses in means-tested benefits like Pension Credit to consider. See section 4.1 for information about how to get an estimate of your entitlement.

## 12.4 Checking your NI record

You can see if you have gaps in your NI record by requesting a statement from HMRC. You can do this online at [www.hmrc.gov.uk](http://www.hmrc.gov.uk) by searching for '*national insurance statement*' or by calling the helpline on 0300 200 3500.

You can request a State Pension statement to get an estimate of how much you will get when you start claiming. See section 4.1 for more information about this.

## Useful organisations

The DWP and HMRC publish information on the State Pension and National Insurance. This can be obtained online on the Gov.uk website, or by telephoning HMRC or the Pension Service.

### **Citizens Advice**

England or Wales go to [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

Northern Ireland go to [www.citizensadvice.co.uk](http://www.citizensadvice.co.uk)

Scotland go to [www.cas.org.uk](http://www.cas.org.uk)

In England telephone 0344 411 1444

In Wales telephone 0344 477 2020

In Scotland telephone 0808 800 9060

National network of advice centres offering free, confidential, independent advice, face to face or by telephone.

### **Civil Legal Advice**

[www.gov.uk/civil-legal-advice](http://www.gov.uk/civil-legal-advice)

Telephone 0345 345 4 345

People living on a low income or benefits, who are eligible for legal aid can get specialist legal advice on benefits appeals, debt, education, housing, discrimination and family problems.

### **Disability Benefits Helpline**

[www.gov.uk/disability-benefits-helpline](http://www.gov.uk/disability-benefits-helpline)

DWP helpline providing advice or information about any claim for Disability Living Allowance, Personal Independence Payment or Attendance Allowance that you have already made.

### **Attendance Allowance (AA)**

Telephone 0345 605 6055

### **Disability Living Allowance (DLA)**

If you were born on or before 8 April 1948

Telephone 0345 605 6055

If you were born after 8 April 1948

Telephone 0345 712 3456

### **Personal Independence Payment helpline**

Telephone 0345 850 3322

### **Future Pension Centre**

Telephone 0345 300 0168

## **Gov.uk**

[www.gov.uk](http://www.gov.uk)

Official website for government information and services. Includes information about pensions planning, the State Pension, workplace pensions, and personal and stakeholder pensions.

## **HM Revenue and Customs**

[www.gov.uk/government/organisations/hm-revenue-customs](http://www.gov.uk/government/organisations/hm-revenue-customs)

Contact HMRC for more information about taxes and National Insurance contributions. The National Insurance contributions office is also listed below.

## **HM Revenue and Customs Tax Credits Office**

[www.gov.uk/claim-tax-credits](http://www.gov.uk/claim-tax-credits)

Telephone 0345 300 3900

## **International Pension Centre**

[www.gov.uk/international-pension-centre](http://www.gov.uk/international-pension-centre)

Telephone 0191 218 7777

## **Money Advice Service**

[www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)

Telephone 0800 138 7777

Free money advice covering life events, such as pensions and retirement or divorce and separation, as well as everyday money advice on basic banking, insurance, and offering a range of financial planning tools. Service is available online, over the phone, or in some areas face to face.

## **National Insurance Contributions Office**

[www.gov.uk/national-insurance/overview](http://www.gov.uk/national-insurance/overview)

Telephone 0300 200 3500

## **Pensions Advisory Service (The) (TPAS)**

[www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

Telephone 0300 123 1047

An independent organisation providing information and guidance on different types of pensions. They can also help you if you have a complaint about your workplace or private pension plan.

## **Pensions Ombudsman**

[www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

Telephone 020 7630 2200

The Office of the Pensions Ombudsman is a free, statutory service investigating complaints about how pension schemes are run.

**Pension Service (The)**

[www.gov.uk/browse/working/state-pension](http://www.gov.uk/browse/working/state-pension)

Telephone 0345 60 60 265

State Pension Forecasting Team 0345 3000 168

For details of state pensions, including forecasts and how to claim your pension.

**Pension Tracing Service**

[www.gov.uk/find-lost-pension](http://www.gov.uk/find-lost-pension)

Telephone 0345 600 2537

A free service provided by the DWP that can help to trace an old pension scheme if the details are unclear or have been lost.

## Age UK

Age UK provides advice and information for people in later life through our Age UK Advice line, publications and online. Call Age UK Advice to find out whether there is a local Age UK near you, and to order free copies of our information guides and factsheets.

### Age UK Advice

[www.ageuk.org.uk](http://www.ageuk.org.uk)

0800 169 65 65

Lines are open seven days a week from 8.00am to 7.00pm

### In Wales contact

#### Age Cymru

[www.agecymru.org.uk](http://www.agecymru.org.uk)

0800 022 3444

### In Northern Ireland contact

#### Age NI

[www.ageni.org](http://www.ageni.org)

0808 808 7575

### In Scotland contact

#### Age Scotland

[www.agescotland.org.uk](http://www.agescotland.org.uk)

0800 12 44 222

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